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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 40-83

WASHINGTON, Oct. 5--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## GRAIN AND FEED

The U.S. agricultural counselor in Beijing forecasts CHINA's 1983/84 wheat production at a record 80.0 million tons, 17 percent above last year's record crop. Of this, winter wheat production is estimated at 69.5 million tons and spring wheat production at 10.5 million. Record yields of 2.8 tons per hectare, combined with about a 3-percent increase in area, are expected. This year's crop benefited from near ideal growing conditions during much of the season.

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Total grain production in INDIA in 1983/84 is estimated at a record 154.3 million tons, up 15 percent from the drought-reduced crop of last year, according to the U.S. agricultural counselor in New Delhi. This year rabi (spring-harvested) and kharif (fall-harvested) grain production has benefited from near ideal growing conditions. Wheat production for 1983/84, harvested last May, is estimated at a record 42.5 million tons, 12 percent above last year's previous record harvest. Rice production (rough-basis), much of which is fall-harvested, is estimated at a record 81.8 million tons, up 19 percent from last year's drought-affected crop. The performance of the 1983 monsoon has been near or above normal over most of the primary rice producing areas. Total coarse grain production including barley, corn, millet and sorghum is estimated at 30.0 million tons, 9 percent above the 1982/83 crop.

## OILSEEDS AND PRODUCTS

The SOVIET UNION's imports of soybeans and meal, in terms of meal equivalent, were up 20 percent in the first half of 1983 compared with a 40-percent gain in all of calendar 1982, based on latest available export data from the United States and selected major exporting countries. However, imports of soybeans and oil on an oil equivalent basis thus far in 1983 are lagging by 38 percent following a 48-percent gain in calendar 1982. The data below represent the bulk of total Soviet imports of soybeans and products:

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Item	Calendar Year		Calendar Year		
	1981	1982	Period	1982	1983
----- Thousand tons -----					
Soybeans:					
from the U.S.	34	649	Jan-Jul	649	199
from Brazil	497	255	Jan-Jul	255	99
from Argentina	717	716	Jan-Jul	517	361
Total	1,248	1,620		1,421	659
Soybean oil:					
from Brazil	74	100	Jan-Jul	100	41
from Spain	27	88	Jan-May	68	52
from France	0	0	Jan-Jul	0	33
from Belgium	0	0	Jan-May	0	17
Total	101	188		168	143
Soybean Meal:					
from Brazil	498	1,056	Jan-Jul	565	765
from Netherlands	562	586	Jan-Jun	345	909
from W. Germany	31	33	Jan-Jun	0	210
from Belgium	50	30	Jan-May	12	63
Total	1,141	1,705		922	1,947
Total:					
as meal equivalent	2,133	2,993		2,052	2,471
as oil equivalent	322	475		420	260

Larger Soviet oilseed production is resulting in some reduction in 1983 oilseed imports, chiefly soybeans. However, expanding feed requirements are expected to outrun domestic meal production and this is expected to boost 1983 meal imports significantly. Soviet vegetable oil imports in 1983 may lag those of 1982, largely reflecting expanding domestic output of sunflowerseed oil.

In 1983/84, Soviet oilseed and oil import prospects are dimmed somewhat reflecting accelerated expansion in domestic oilseed production --up 6.2 percent following a gain of only 3.9 percent in 1982/83. However, a sizable protein feed deficit still exists in the Soviet Union and this should result in further expansion in high protein meal imports.

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The NETHERLANDS' net imports of soybeans and meal, in terms of meal equivalent, during January-June 1983 declined to about 905,000 tons, 19 percent below the same period in 1982. The decline reflected sharply expanded meal exports, chiefly to the Soviet Union. Data are as follows in 1,000 tons:

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Item	Soybeans (Jan-Jun)		Soybean meal (Jan-Jun)	
	1982	1983	1982	1983
Imports:				
from the U.S.	1,378	1,435	503	846
from other countries	55	35	264	159
Total	1,433	1,470	767	1,005
Exports:				
to the USSR	0	0	345	909
to other countries	77	67	387	307
Total	77	67	732	1,215
Imports less exports	1,356	1,403	35	-211

Imports of soybeans and meal from the United States at nearly 2.0 million tons, meal basis, gained by 24 percent from the same six months in 1982. Imports of soybean meal from Brazil, at 108,000 tons, declined by more than two-fifths.

#### DAIRY, LIVESTOCK AND POULTRY

WORLD tallow and grease production for 1983 is forecast at 6.24 million tons, the same as in 1981, but 1.4 percent above 1982. Tallow production in 1984 is expected to remain at the 1983 level.

In the United States, production of tallow and grease during 1983 is expected to be up 2.3 percent due to increased livestock slaughter. Production in 1984 is forecast to rise about 1 percent despite a drop in projected meat production. Higher vegetable oil prices are expected to encourage increased animal fat reprocessing.

Cattle slaughter and tallow production in Argentina are expected to decrease over 10 percent in 1983 due to herd rebuilding. For 1984, tallow production is expected to remain low as herd expansion continues.

In the European Community (EC), tallow production is expected to be up 3.3 percent for 1983, largely due to increased slaughter in the United Kingdom. For 1984, a small decline in U.K. slaughter will be largely offset by increases elsewhere in the EC. Thus, tallow production is expected to remain at the 1983 level. In the USSR, tallow production is expected to increase in both 1983 and 1984 because of increased slaughter and heavier carcass weights.

Australian tallow production for 1983 is expected to show little change from 1982 levels despite reduced beef and sheep meat production this year. This appears to be due to lower tallow yields resulting from the 1982 drought. For 1984, tallow production is expected to fall because of reduced slaughter. In New Zealand, 1983 tallow production is expected to be up slightly because of increased cattle and sheep slaughter.

Production data are as follows in 1,000 tons:

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Country	1981	1982 1/	1983 2/	1984 2/
United States	3,290	3,237	3,311	3,352
Canada	213	220	215	212
Argentina	313	276	246	246
EC-10	975	937	961	958
USSR	355	350	355	360
Australia	309	316	315	289
New Zealand	125	125	132	132
World 3/	6,269	6,161	6,241	6,255

1/ Preliminary. 2/ Forecast. 3/ Total of 42 countries.

#### COTTON AND FIBERS

Export taxes on raw cotton, coupled with export incentives for value-added products are inhibiting TURKEY's cotton exports. Domestic prices are 11 percent below international prices, while exports are priced 6 percent above international prices. Turkish exporters view this as the main reason for the 46-percent decline in Turkey's cotton exports in the first half of 1983 relative to a year earlier.

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SPAIN's 1983/84 cotton crop is now estimated at 140,000 bales, down from 150,000 bales expected earlier and sharply below the 222,000 bales harvested in 1982/83, according to the U.S. agricultural counselor in Madrid. The overriding reason behind the downward movement in production has been a continuation of drought conditions since 1980. As a result of two consecutive drought seasons, there was a shortage of irrigation water for the 1983/84 crop. Area is expected to total 34,000 hectares, approximately 33 percent below last year's area of 51,000 hectares.

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MEXICO's 1983/84 cotton crop is now estimated at 960,000 bales, according to the U.S. agricultural counselor in Mexico City. Preliminary forecasts originally indicated a crop outturn of at least 1.0 million bales. Heavy rains at planting and harvesting in two key producing states (Sonora and Sinaloa), as well as uncertainty over the government's cotton support policy, are the major causes for reduced production. The 1982/83 crop of 830,000 bales was below the normal outturn of 1.4-1.5 million bales due to unfavorable prices at planting.

#### TOBACCO

ARGENTINA's tobacco consumption is expected to make a modest recovery in 1983, following a steady decline over the past few years. This is based on larger cigarette sales to date, primarily caused by significant salary increases and less rapid cigarette price increases. Cigarette sales in 1982 totaled 32.5 billion pieces, a 9-percent plunge from the already reduced 1981 level. Cigarette use of total processed tobacco in 1982 is estimated to have dropped to 94 percent from the 1981 estimate of 97 percent. The decline resulted from the acute recession which increased demand for cheaper roll-your-own cigarette tobacco.

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The PHILIPPINES recently imposed additional requirements on certain imported commodities including leaf tobacco fillers and binders (flue-cured and native). Importers will now also require a prior permit from designated agencies such as the Ministry of Trade and Industry (MTI), Board of Investment (BOI), and the Central Bank (CB). Importation of tobacco with tariff rate of 50 percent must be covered by an "authority to import" to be issued by the BOI, with prior clearances coordinated with CB. The additional clearances are expected to delay imports by two to four weeks and are likely to continue in effect until 1984. The new measure is in line with continuing effort to minimize foreign exchange outflows.

Previously, release certificates were issued by the commercial banks handling the importers letter of credit. This recent requirement follows import tightening measures imposed late December 1982, requiring all importers to deposit the full amount of duty, including the additional 3 percent, before financial institutions can issue letters of credit.

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In ZIMBABWE, the Tobacco Marketing Board reports that flue-cured tobacco auction sales through September 14, following 23 weeks of sales, were 78,111 tons valued at Z\$144.9 million, an average of Z\$1.85 (US\$1.91) per kilogram. This compares with 74,280 tons valued Z\$125.2 million and averaging Z\$1.69 per kilogram, sold through Sept. 15, 1982, following 27 weeks of sales. This year's marketing period has been reduced by 30 days from 1982, reflecting activated sales in a relatively shorter period.

#### SUGAR

The most severe drought in SOUTH AFRICA in 200 years will result in reduced raw sugar production during 1983/84. According to the U.S. agricultural attache in Pretoria, production is now forecast at 1.5 million tons, down from last year's record 2.3 million tons. Following an abnormally dry winter in 1982, rains in the traditionally wet summer months of November 1982 to February 1983 were 70 percent below average. Cane shortage, due to the severity of the drought, forced three mills to stop grinding in July, the first time in recent history that mills shut down so early in the season. The mills may reopen later this season if rainfall is sufficient to stimulate cane growth. The effects of drought may continue to depress production somewhat into the 1984/85 crop since a substantial share of the cane will have to be replanted. South African cane is usually cut for the first time 14 months to 2 years following replanting.

-6-  
Selected International Prices

Item	:	Oct. 4, 1983	: Change from		: A year
			: previous week :		
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:					
Canadian No. 1 CWRS-13.5%.	212.00	5.73	+4.00	191.00	
U.S. No. 2 DNS/NS: 14%...	183.00	4.98	-2.00	168.00	
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	N.Q.	
U.S. No. 2 S.R.W.....	151.00	4.11	-3.50	129.00	
U.S. No. 3 H.A.D.....	210.00	5.72	-0-	166.00	
Canadian No. 1 A: Durum..	220.00	5.99	+1.00	192.00	
Feed grains:					
U.S. No. 3 Yellow Corn....	158.00	4.01	-0.25	101.00	
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	N.Q.	
Feed Barley 3/.....	N.Q.	--	--	N.Q.	
Soybeans and meal:					
U.S. No. 2 Yellow.....	330.50	8.99	-10.00	204.80	
Brazil 47/48% SoyaPellets 4/	289.00	--	-0-	188.50	
U.S. 44% Soybean Meal....	267.00	--	+1.00	178.00	
U.S. FARM PRICES 5/					
Wheat.....	129.71	3.53	.74	121.62	
Barley.....	99.21	2.16	+4.13	65.68	
Corn.....	133.06	3.38	+3.54	80.70	
Sorghum.....	118.61	5.38	6/	+4.41	82.67
Broilers 7/.....	1005.52	--	-57.54	N.A.	
EC IMPORT LEVIES					
Wheat 8/.....	78.21	2.13	+5.01	116.07	
Barley.....	53.39	1.16	+9.34	102.33	
Corn.....	40.44	1.03	+2.18	110.50	
Sorghum.....	49.01	1.25	+3.91	101.89	
Broilers 9/.....	252.00	--	+3.00	10/	289.00
EC INTERVENTION PRICES 11/					
Common wheat(feed quality)	165.52	4.50	+1.62	174.55	
Bread wheat (min. quality)	182.02	4.95	+1.77	193.00	
Barley and all					
other feed grains.....	165.52	--	+1.62	174.55	
Broilers 11/.....	1119.00	--	+29.00	N.A.	
EC EXPORT RESTITUTIONS (subsidies)					
Wheat 12/.....	37.45	1.02	.60	70.70	
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.	
Barley.....	17.10	.37	4.35	63.50	
Broilers 9/.....	194.00	--	+2.00	10/	180.00
Sugar, refined .....	N.Q.	N.Q.	N.Q.	N.Q.	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects revised levy. 11/ F.o.b. price for R.T.C. broilers at West German border. 12/ Corrective amount in ECU's: Oct. -5, Nov. -8, and Dec. -10. Jan. zero. N.Q.=Not quoted. N.A.=None authorized. Note: Basis October delivery.

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